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ACTION NEEDED TO SUSTAIN SOUTHERN FORESTRY

WASHINGTON, Aug. 12—Unless action is taken to increase timber growth and inventories in the South, Southerners will miss an important opportunity to increase economic growth, according to F. Dale Robertson, chief of the U.S. Department of Agriculture's Forest Service.

Robertson said a comprehensive study of southern forestry conducted by the Forest Service, state forestry agencies and universities, and the forest industry shows that annual removal of softwood timber is greater than annual growth of new timber in many areas of the South. Because timber is the region's leading agricultural crop and the processing of timber and timber products is the primary source of employment, the situation could lead to reduced economic growth throughout the region.

"Although the results of this study are of concern, we have also found numerous opportunities for ensuring that timber production can continue to prosper and grow in the South," Robertson said. "Since the 1880's when the South's first forest was devastated by fire and poor management, two new forests have been regenerated and harvested. The South's fourth forest, the forest of the future, can be even more productive."

According to the report, 22 million acres of cropland and pasture in the South would be of more value to their owners if the lands were planted in pine trees, and conversion of this land to timber production could increase net annual softwood growth by 2.1 billion cubic feet. On existing forest lands, replanting cutover and nonproductive sites could increase net annual growth by 3.2 billion cubic feet. Together, conversion of cropland and replanting of existing nonproductive forest sites could nearly double the current annual softwood growth of 5.7 billion cubic feet in the South.

"The report describes not just a challenge to the South's economy but an opportunity for southern farmers and landowners," said Robertson.

"Already the owners of 1.5 million acres of highly erodible cropland in the South have decided to plant trees on that acreage under USDA's Conservation Reserve Program. More opportunities exist to increase timber growth profitably.

"Maintaining the health of the South's forests is important to every American," says Robertson. "Without the major contribution of southern forest products to our economy, American consumers will be faced with higher housing costs, and increased costs for many other wood products."

Copies of a summary of the report, "The South's Fourth Forest: Opportunities to Increase the Resource Wealth of the South," are available from USDA Forest Service, Southern Forest Experiment Station, 701 Loyola Avenue, New Orleans, La. 70113.

Diane Hitchings (202) 447-4211

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FmHA EMERGENCY LOANS 'FILL LAST GAP' ON DROUGHT AID LIST

WASHINGTON, Aug. 12—Farmers Home Administration emergency loans are already available in about a dozen states, but the loans should be considered the last step in drought recovery assistance, FmHA Administrator Vance L. Clark said today.

"Although the drought bill signed by President Reagan yesterday removes crop insurance as a requirement for loan eligibility, our emergency loans will still fill the last gap, rather than the first, in drought assistance," he said.

Clark said FmHA will not process emergency loan applications until disaster-related payments authorized in the drought bill have been paid by USDA's Agricultural Stabilization and Conservation Service and claims for federal crop insurance have been satisfied.

"We are not allowed to duplicate federal benefits," he said. "Until the amount of disaster payments and crop insurance settlements, if insurance is involved, are known, we have no satisfactory way to avoid the possibility of duplication without waiting until all other disaster benefits have been considered."

Under a provision of the 1985 Farm Bill, a farmer has to have crop insurance, if available, to be eligible for FmHA emergency loans. The drought assistance bill removed that requirement for 1988.

“We will, of course, be there with the emergency loan program for those farmers who will not receive any disaster assistance from other sources,” Clark said.

Additional states are expected to be named as eligible for the emergency loans in the next few weeks.

Ron Ence (202) 447-4323

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USDA ANNOUNCES PRELIMINARY LOAN AND PURCHASE RATE FOR 1988 CROP SOYBEANS

WASHINGTON, Aug. 12—A preliminary announcement of the loan and purchase rate for 1988 crop soybeans of $4.77 per bushel was made today by Secretary of Agriculture Richard E. Lyng. A final announcement will be made by Oct. 1. In addition, Lyng said that a marketing loan program will not be implemented for the 1988 crop of soybeans.

All producers of 1988 crop soybeans will be eligible for loans and purchases. Soybeans are ineligible for any reserve program or farm storage payments.

A regulatory impact analysis on the 1988 soybean program may be obtained from: Director, Commodity Analysis Division, USDA/ASCS, Room 4741-S, P.O. Box 2415, Washington, D.C. 20013.

For additional information contact: Orville Overboe (202) 447-4418.

Robert Feist (202) 447-6789

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SECRETS OF PEST RESISTANCE MAY PAVE WAY FOR GENETIC ENGINEERING

WASHINGTON—Genetic engineering of crops with ultraresistance to pests is closer to reality, now that U.S. Department of Agriculture scientists are pinpointing exactly what gives resistant crops their extra defense against enemies.

After breeding and releasing eight lines of corn and 30 lines of cotton with pest resistance, scientists with USDA’s Agricultural Research Service chemically analyzed the parts on the plants where insects feed.

They found that a major reason cotton resists tobacco budworms and fall armyworms is higher amounts of gossypol and a family of related chemicals—substances toxic to insects. According to chemist Paul A. Hedin of the agency's Crop Science Research Laboratory at Mississippi State University, insects are repelled by these gossypol compounds.

The genes involved in gossypol production have been identified and located by several agency scientists, including the group at Mississippi State.

Several private biotechnology firms have discussed the research with the group of scientists and may enter into agreements with them to genetically engineer crops resistant to pests.

"A private firm's scientists would duplicate these genes in the lab and insert them into varieties with high yield and other good qualities," plant geneticist Johnie N. Jenkins said, pointing out that the resistant lines released by the lab lack other important commercial characteristics like high yield.

The scientists said that the corn research could lead to similar cooperation with biotechnology companies.

The corn, which resists southwestern and European corn borers and fall armyworms, has 25 percent more fiber, 30 percent less protein and 30 percent less sugar than susceptible lines, according to studies by Hedin, geneticist Paul Williams and entomologist Frank Davis, also at Mississippi State.

They said the different chemical make-up, including lower protein, appears only in the whorl leaves where the insects feed. Kernels have normal levels of protein, sugar and fiber.

"The insect's stomach can only hold so much food, and the fiber may be filling it up faster so it feeds less," Davis said.

The scientists also speculated that the insect may be less attracted to the crop because they somehow sense that it will not fulfill their nutritional needs.

Other potential benefits from the work:

* Scientists can build more than one means of resistance. Two lines that resist pests for different reasons can be combined by breeding or genetic engineering for double-whammy resistance.

* Knowing the biochemical cause for resistance could lead to faster ways of screening plants when looking to breed new lines. For example, in cotton, scientists would check gossypol levels in each new plant, rather

than grow many rows of the crop and run experiments to see whether insects attack. This could cut screening time from four growing seasons to one, the scientists said.

Jessica Morrison (301) 344-3927

Issued: Aug. 15, 1988

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USDA TARGETS EXPORT ASSISTANCE FOR FISCAL 1989

WASHINGTON, Aug. 17—The U.S. Department of Agriculture today announced 46 projects that will receive $110 million in Targeted Export Assistance (TEA) allocations for fiscal 1989.

The Food Security Act of 1985 requires that USDA utilize Commodity Credit Corporation funds or commodities to counter or offset the adverse effects of unfair foreign trade practices on U.S. agricultural exports.

Allocations were made on the basis of proposals received during the 45-day period for applications announced in the Federal Register on May 27.

Allocations among those organizations which applied for funding prior to the July 11 deadline for the 1989 TEA program may be adjusted if the overall fiscal 1989 TEA program authorization level is altered as a result of final Congressional action. Only applications received by July 11 will be eligible for any adjustments. No additional applications will be solicited or considered.

To be considered for a TEA allocation, industry representatives submitted project proposals to the U.S. Department of Agriculture. USDA evaluated those proposals using several criteria including: 1) identification of an unfair foreign trade practice and how it has adversely affected exports; 2) the organization's willingness to contribute resources to the joint project, and ability to represent U.S. producer interests on a commodity or nationwide basis; 3) prior export development experience and ability to handle the program; and 4) the prospects for the project's success in increasing exports or mitigating the unfair trade practice.

The TEA program will be administered by USDA's Foreign Agricultural Service through cooperative agreements between the Commodity Credit Corporation and the agricultural industry representatives listed below.

For additional information and referral to the appropriate program contact, call (202) 447-5521. (A list of the 46 projects appears on the following pages.)

Participant	Commodities	Allocation (million $)
Alaska Seafood Marketing Institute	Salmon, pollock & herring	3.30
American Plywood Association	Structural panel, hardwoods & lumber products	1.80
American Sheep Producers Association	Wool products	0.10
American Soybean Association	Soybeans	8.80
California Avocado Commission	Avocados	0.50
California Cling Peach Advisory Board	Processed cling peaches & fruit cocktail	4.00
California Kiwifruit Commission	Kiwifruit	0.75
California Pistachio Commission	Pistachios shelled & in shell	0.50
California Prune Board	Prunes	2.00
California Table Grape Commission	Table grapes	0.50
California Raisin Advisory Board	Raisins	7.70
California Walnut Commission	Walnuts	3.00
Catfish Farmers of America	Catfish	0.15
Cherry Marketing Institute of Michigan	Processed tart cherries	0.35
Chocolate Manufactures Association	Chocolate	2.10
Concord Grape Commission	Concord grapes	1.00

Cotton Council International	Cotton	7.90
Eastern United States Agricultural & Food Export Council (EUSAFEC)	Regional high-valued foods	1.50
Export Incentive Program (by application)	Almonds	3.60
Export Incentive Program (by application)	California and Arizona citrus	7.70
Export Incentive Program (by application)	Processed corn	1.25
Florida Department of Citrus	Florida fresh & processed citrus	2.50
Leather Industries of America	Leather (sheetgoods)	1.80
Mid-America International Agri-Trade Council (MIATCO)	Regional high-valued foods	1.00
Mink Export Development Council	Mink furskins (pelts)	1.50
National Association of Animal Breeders	Animal semen	0.30
National Association of State Departments of Agriculture (NASDA)	National high-valued foods	0.10
National Dry Bean Council	Dry beans	1.00
National Forest Products Association	Structural & decorative lumber	1.30
National Honey Board	Honey	0.50
National Peanut Council	Peanuts & peanut products	4.00
National Potato Promotion Board	Potatoes	2.50

National Sunflower Association	Sunflowerseed & products	2.30
Northwest Horticultural Council	Fresh apples	0.30
Northwest Horticultural Council	Fresh cherries	0.60
Northwest Horticultural Council	Fresh pears	0.10
Rice Council for Market Development	Rice	3.70
Southern United States Trade Association (SUSTA)	Regional high-valued foods	1.40
Tobacco Associates	Tobacco leaf	1.40
U.S. Poultry & Egg Export Council	Poultry & egg products	3.90
U.S. Dry Pea & Lentil Council	Dry peas & lentils	1.00
U.S. Feed Grains Council	Corn, sorghum & barley	2.00
U.S. Meat Export Federation	Red meats, variety meats & products	8.90
U.S. Wheat Association	Wheat	3.00
Wine Institute	Wine	3.00
Western United States Trade Association (WUSTA)	Regional high-valued foods	3.40
TOTAL		110.00

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USDA SEEKING ENTREPRENEURS FOR BUSINESS OPPORTUNITY MISSION

WASHINGTON, Aug. 18—The U.S. Department of Agriculture's Office of International Cooperation and Development is seeking U.S. agribusiness entrepreneurs to take part in a business opportunity and investment mission to the Dominican Republic in October.

Dr. Joan S. Wallace, OICD administrator, said several Dominican private sector agricultural enterprises are looking for potential U.S. joint venture partners, or businesses with which to establish a continuing rapport.

The Dominican enterprises include eight farms or plantations and companies which produce or market tropical fruit juices and pulp such as passion fruit, guava, soursop, and orange. Other products are canned tropical fruits and vegetables, including papayas, mangoes, black and red beans, cashew nuts, cut flowers and ornamental plants.

In "matching" U.S. entrepreneurs with candidates in the Dominican Republic, and in other Caribbean Basin Initiative countries, OICD seeks to bring together companies of similar interests where both sides benefit from the process, Wallace said.

The business opportunity and investment mission is one of a series of activities recommended by USDA's Agribusiness Promotion Council which advises the secretary of agriculture in implementing agricultural programs as part of the Caribbean Basin Initiative, Wallace said.

In CBI countries, OICD encourages the production of nontraditional fruits and vegetables which tend not to compete directly with U.S. farm production, or are marketed off-season in the U.S.

This business mission is sponsored by the Dominican Republic's Joint Agricultural Consultative Group and Investment Promotion Council.

Information may be obtained from: Maria Nemeth-Ek, OICD Private Sector Relations Division, telephone (202) 653-7910, or FAX (202) 653-8715.

Vic Muniec (202) 653-7883

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USDA REQUESTS COMMENTS ON 1989 EXTRA LONG STAPLE COTTON PROGRAM

WASHINGTON, Aug. 18—The U.S. Department of Agriculture is seeking public comment on whether the Commodity Credit Corporation should establish acreage reduction for the 1989 extra long staple cotton (ELS) program, and, if so, the percentage of the reduction.

Comments are also sought on additional program provisions including commodity eligibility, micronaire discounts and loan levels for the individual qualities of 1989 crop ELS cotton.

Details of the 1989 ELS cotton program will appear in the Aug. 19 Federal Register.

The decisions of the 1989 program provisions will consider the comments received, current data on U.S. crop conditions and the outlook for supply and demand.

Send comments by Sept. 19 to: Director, Commodity Analysis Division, USDA/ASCS, P.O. Box 2415, Washington D.C. 20013. The comments will be available for public inspection in Room 3741-S of USDA's South Building during business hours.

A preliminary regulatory impact analysis regarding the 1989 ELS cotton options may be obtained by writing to the above address or by calling (202) 475-5731.

Bruce Merkle (202) 447-6787.

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USDA RESERVES FEED STOCKS FOR EMERGENCY LIVESTOCK ASSISTANCE

WASHINGTON, Aug. 18—Deputy Secretary of Agriculture Peter C. Myers today announced that 355 million bushels of feed grains owned by the U.S. Department of Agriculture's Commodity Credit Corporation are being held in reserve to meet the potential demand for emergency livestock feed as a result of the recently enacted Disaster Assistance Act of 1988.

The Act, which was signed into law by President Reagan Aug. 11, provides about $3.9 billion to assist producers who have experienced crop losses or feed shortages caused by this year's severe drought.

The feed grains that are held in reserve are stored in warehouses in 40 states. These include 250.4 million bushels of corn, 79.7 million bushels of sorghum and 25 million bushels of barley. Myers said additional stocks of CCC feed grains can be made available, if demand from eligible farmers proves greater than current projections.

Other CCC grain stocks will continue to be available through normal program channels, such as cash sales and exchanges for generic commodity certificates, said Myers.

Final rules relating to producer eligibility requirements under the emergency livestock assistance program will be issued in the near future. The program will be carried out in behalf of CCC by the USDA's Agricultural Stabilization and Conservation Service county offices. The following table lists CCC feed grains by State which have been reserved for the 1988 emergency livestock assistance program:

STATE	CORN	SORGHUM	BARLEY
		(All figures in thousand bushels)	
Alabama	1,757	747	0
Arkansas	2,549	7,673	0
Arizona	176	723	300
California	15,000	1,856	0
Colorado	4,481	0	0
Connecticut	21	0	0
Delaware	305	0	0
Florida	250	4	0
Georgia	3,675	23	0
Idaho	3,612	0	301
Illinois	10,820	1,707	0
Indiana	13,000	148	0
Iowa	19,440	59	7
Kansas	4,106	8,933	0
Kentucky	14,127	756	17
Louisiana	5,763	5,539	0
Maryland	1,420	0	105
Michigan	8,425	0	3
Minnesota	23,572	0	3,275
Mississippi	1,746	3,674	0
Missouri	9,475	4,080	0

Montana	743	0	1,324
Nebraska	16,911	0	0
New Mexico	22	2,393	0
New York	6,860	0	0
North Carolina	13,087	278	4
North Dakota	2,204	18	15,142
Ohio	16,648	0	0
Oklahoma	1,372	5,498	4
Pennsylvania	1,425	0	0
South Carolina	2,738	0	0
South Dakota	6,191	3,405	2,319
Tennessee	6,342	1,822	0
Texas	3,536	29,456	0
Utah	5,468	870	61
Virginia	3,677	0	0
Washington	1,708	0	624
West Virginia	8	0	0
Wisconsin	17,660	70	1,548
Wyoming	35	0	17
Total	250,355	79,732	25,036

John C. Ryan (202) 447-6788

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USDA ANNOUNCES CHANGES IN UPLAND COTTON PROGRAM

WASHINGTON, Aug. 18—The U.S. Department of Agriculture today announced changes effective Aug. 19 in the upland cotton program which are designed to make U.S. upland cotton more competitive in world markets.

U.S. cotton has not been competitive in world markets since February and, as a result, U.S. export sales have declined. The reduced export sales, together with the large 1987 crop, has resulted in an increase in U.S. stocks, lower prices and higher federal costs.

To make U.S. cotton more competitive in world markets, the regulations for determining the prevailing world market price for upland cotton, adjusted to U.S. quality and location (adjusted world price), are being amended to:

1. Reduce the period for determining the adjustment of the Northern

Europe price to average designated U.S spot market (transportation adjustment) from 156 weeks to 52 weeks and to include authority to further adjust the 52-week calculcation if, based on periodic reviews of actual transportation costs, it is determined that the calculated adjustment is not reflecting actual transportation costs.

2. Modify the additional adjustment for coarse count cotton by:

a. removing the one cent minimum adjustment.

b. Applying the adjustment to any grade of upland cotton with a staple length of 1/32 inch or shorter and to the following grades of upland cotton with a staple length 1 1/16 inch or longer:

White Grades - Strict Good Ordinary Plus, Strict Good Ordinary, Good Ordinary Plus and Good Ordinary.

Light Spotted Grades - Low Middling and Strict Good Ordinary.

Spotted Grades - Middling, Strict Low Middling, Low Middling and Strict Good Ordinary.

Tinged Grades - Strict Middling, Middling, Strict Low Middling and Low Middling.

Yellow Stained Grades Strict Middling and Middling.

Light Gray Grades - Strict Low Middling.

Gray Grades Middling and Strict Low Middling.

Details of these amendments to the adjusted world price regulations will appear in the Aug. 19 Federal Register.

The public is invited to comment on the amendments. Send comments by Sept. 19 to: Acting Director, Commodity Analysis Division, USDA/ASCS, P.O. Box 2415, Washington, D.C. 20013. Comments will be available for public inspection during business hours in Room 3756 of USDA's South Building.

In addition, the provisions of the price support loan program are eing changed:

1. To permit all price support loan redemptions of upland cotton to be calculated based upon the Schedule of Premiums and Discounts for Grade and Staple, the Schedule of Micronaire Differences and location differentials applicable to each warehouse location that were in effect for the crop year in which the cotton was produced.

2. For qualities of cotton eligible for the coarse count adjustment, permit price support loan redemptions with cash at:

a. The lower of the AWP, adjusted:

(1) To specific qualities and warehouse locations based upon the Schedule of Premiums and Discounts for Grade and Staple and the location differentials applicable to each warehouse location that were in effect for the crop year in which the cotton was produced, and

(2) For the announced coarse count adjustment for the week in which the redemption occurs, or

b. The loan rate for the specific quality and location that was in effect for the crop year in which the cotton was produced.

Bruce Merkle (202) 447-6787.

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USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, Aug. 18—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, Aug. 19, through 12:00 midnight Thursday, Aug. 25.

The adjusted world price (AWP) and course count adjustment announced today reflect amendments to the regulations governing the determination of the AWP that are effective Aug. 19. The amendments also were announced today by USDA.

Since the AWP is less than the 1987-crop and 1988-crop base quality loan rates of 52.25 and 51.80 cents per pound, respectively, the loan repayment rate for 1987-crop and 1988-crop upland cotton during this period is equal to the AWP adjusted for the specific quality and location.

Since the AWP is less than the 1986-crop base quality loan repayment rate of 44 cents per pound, first handler certificates will be issued to eligible first handlers with respect to 1986-crop upland cotton pledged as loan collateral that is redeemed with cash during this period.

Eligible first handlers are those persons regularly engaged in the buying and selling of upland cotton who have entered into an agreement with USDA'S Commodity Credit Corporation to participate in the program. Eligible first handlers also include cotton cooperatives and producers selling cotton direct to domestic textile mills or for export who have entered into a first handler agreement with CCC.

The first handler payment rate will equal the difference between the loan repayment rate (80 percent of the 1986-crop loan rate for the specific quality and location) and the AWP (adjusted to the specific quality and location and, if applicable, the coarse count adjustment) in effect during this period. Payment will be made in the form of a commodity certificate that may be exchanged for upland cotton or extra long staple cotton.

The certificates may be used to obtain cotton which had been pledged to CCC as loan collateral any time during the term of the certificate and to acquire other cotton owned by CCC from a catalog issued by CCC during the period ending five months from the last day of the month in which the certificate was issued. The expiration date of cotton certificates issued under the 1986 upland cotton program is the later of July 31, 1989, or nine months from the last day of the month in which the certificate is issued.

Because the loan repayment rate for 1988-crop upland cotton in effect during this period is less than the established loan rate, loan deficiency payments will be paid to eligible producers who agree to forgo loan eligibility on their 1988-crop upland cotton. The payment rate for cotton sold during this period will equal the difference between the loan rate and the loan repayment rate.

The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates.

Based on data for the week ending Aug. 18, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price		
Northern Europe Price		57.39
Adjustments:		
Average U.S. spot market location	11.73	
SLM 1-1/16 inch cotton	2.00	
Average U.S. location	.42	
Sum of Adjustments		-14.15
ADJUSTED WORLD PRICE		43.24 cents/lb.
Coarse Count Adjustment		
Northern Europe Price		57.39

Northern Europe Coarse Count Price	-52.50
	4.89
Adjustment to SLM 1-inch cotton	-4.15
COARSE COUNT ADJUSTMENT	0.74 cents/lb.

The next AWP and coarse count adjustment announcement will be made Aug. 25.

Charles Cunningham (202) 447-7954

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